

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1623 – HB 1981

March 27, 2018

**SUMMARY OF ORIGINAL BILL:** Requires the Department of Education (DOE) to discontinue use of a readiness assessment if problems occurred during administration or grading of a test that resulted in students not receiving test scores.

**FISCAL IMPACT OF ORIGINAL BILL:**

Other Fiscal Impact – To the extent any readiness assessment is incorrectly administered by a local education agency (LEA), there may be a mandatory increase in local expenditures for the applicable LEA. The extent and timing of any such impacts cannot be determined for such impacts are dependent upon unknown factors.\*

**SUMMARY OF AMENDMENT (016042):** Deletes all language after the enacting clause. Requires, in the event of an assessment misadministration during an 11<sup>th</sup> grade assessment administration, an incident report on the misadministration be provided to the DOE and the LEA(s). Prohibits the assessment provider from charging a fee when there is a misadministration on an assessment. Requires the assessment provider to give the test at a later date at no charge, if the student test-taker was not responsible for any misadministration. Considers failure to comply with the provisions regarding test retakes, refunds, and incident reporting by an assessment provider a breach of contract and requires the state to discontinue use of the assessment with irregularities.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Other Fiscal Impact – To the extent the state has to contract with an alternative testing vendor to retest all 11<sup>th</sup> grade students, there would be an increase in state expenditures estimated to exceed \$875,000; the timing for which is unknown and dependent upon the existence of assessment misadministration and whether a vendor is in breach of contract.**

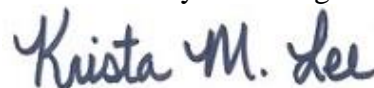
**To the extent an assessment misadministration occurs for a limited number of 11<sup>th</sup> grade students, there will be a decrease in local expenditures estimated to exceed \$21,300 per instance relative to the first misadministration of the assessment, or an increase in local revenue estimated to exceed \$21,300 per instance relative to the second administration of the assessment. The timing of any such impacts cannot be determined for they are dependent upon future unknown events.**

Assumptions for the bill as amended:

- Under current law, pursuant to Tenn. Code Annotated § 49-6-6001(b), students in 11<sup>th</sup> grade must take an assessment to assess readiness for postsecondary education.
- Currently, the American College Testing (ACT) assessment is administered to 11<sup>th</sup> grade students.
- Funding for students to take the ACT the first time is included in the basic education program (BEP) formula.
- A second opportunity is paid for through a state contract with ACT.
- In either case, in the event of a misadministration, ACT would be required to repay the LEA (for the first assessment) or the state (for the second assessment).
- To the extent the state contracts with another vendor, there could be a decrease or an increase in total state expenditures; however, for the purpose of this fiscal memorandum, it is assumed that the SAT would be administered.
- The cost of the ACT is \$42.50 per test; the cost of the SAT is \$60.00 per test.
- There are at least 50,000 11<sup>th</sup> grade students in Tennessee High Schools.
- To the extent the SAT is administered after a misadministration of the ACT to all 11<sup>th</sup> grade students, there would be an increase in state expenditures exceeding \$875,000 [50,000 x (\$60.00 - \$42.50)].
- The estimated fiscal impact above relies on the existence of misadministration of testing which would trigger the provisions of the legislation as well as a testing company failing to comply with the provisions of the legislation.
- In the event that a misadministration occurs, and certain students are unable to receive a score, it is assumed that at least 500 11<sup>th</sup> grade students would be affected.
- This will result in a decrease in local expenditures exceeding \$21,250 per instance (500 x \$42.50) if the misadministration occurs during the first administration, or an increase in local revenue exceeding \$21,250 for each instance of misadministration, if the misadministration occurs during a second administration as these costs are paid through the state contract but would be reimbursed to the LEA.
- The estimated fiscal impact above relies on the existence of misadministration of testing which would trigger the provisions of the legislation, as well as on which attempt the misadministration occurs; the timing and extent of such misadministration is unknown, therefore, a precise fiscal impact cannot reasonably be determined.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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